



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0069  
TELEPHONE (916) 445-4272  
FAX (916) 324-2561  
www.boe.ca.gov

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First District, San Francisco

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RAMON J. HIRSIG  
Executive Director

August 12, 2004

Dear Interested Party:

The Board of Equalization's (BOE) Administration Department invites you to take part in a discussion regarding the existing Special Taxing Jurisdiction (STJ) costing model. The BOE is required to provide a report as outlined in the following excerpt from the Supplemental Report of the 2004 Budget Act:

***Legislative, Judicial, Executive***

*Item 0860-001-001—Board of Equalization*

*1. Administrative Costs Allocation. The Board of Equalization (BOE) shall provide to the Chair of the Joint Legislative Budget Committee (JLBC) and chairs of the fiscal committees of the Legislature by December 1, 2004, a report that provides an analysis of methodological approaches to allocating the administrative costs of collecting the sales and use tax and the transactions and use tax among and between the state General Fund, special funds, Bradley Burns, and local option taxes. The analysis and report shall be prepared in consultation with the Legislative Analyst's Office, the Department of Finance (DOF), and appropriate local government representatives and shall contain detailed information regarding cost allocation methodologies for various activities based on workload or other factors, including their fiscal implications.*

However, before the report is provided to the Chair of the JLBC and chairs of the fiscal committees of the Legislature, staff would like to provide interested parties an opportunity to discuss the issue and present any suggested changes or comments regarding alternate methodologies. Accordingly, a meeting is scheduled in **Room 121 at 9:30 AM on August 26, 2004**, at the Board of Equalization; 450 N Street; Sacramento, California.

If you are unable to attend the meeting but would like to provide input for discussion at the meeting, please feel free to write to me at the above address or send a fax to (916) 322-3184 before the August 26, 2004 meeting. If you are aware of other persons that may be interested in attending the meeting or presenting their comments, please feel free to extend an invitation to the meeting.

Subsequent to the meeting, interested parties may continue to provide written responses until **September 3, 2004**. Please send your written comments and suggestions to the Board of Equalization, 450 N Street, MIC 25, P.O. Box 942879, Sacramento, California 94279-0025.

Thank you for your consideration. I look forward to your comments and suggestions. Please be aware that a copy of the material you submit may be provided to other interested parties. Therefore, please ensure your comments do not contain confidential information.

Should you have any questions, please feel free to contact Mr. Rene Guterriez, Budget Officer at (916) 324-9648 or [Rene.Guterriez@boe.ca.gov](mailto:Rene.Guterriez@boe.ca.gov) or Ms. Marcia Davey, Chief, Financial Management Division at (916) 445-3811 or [Marcia.Davey@boe.ca.gov](mailto:Marcia.Davey@boe.ca.gov) prior to the meeting on August 26, 2004.

Sincerely,

Raye Zentner, Deputy Director  
Administration Department

RZ:gc

cc: Honorable Carole Migden, Chairwoman  
Honorable Claude Parrish, Vice Chairman  
Honorable Bill Leonard  
Honorable John Chiang  
Honorable Steve Westly  
Ms. Pat Landingham, DOF  
Mr. Matt Paulin, DOF  
Mr. Cedric Zemitis, DOF  
Mr. Mark Ibele, LAO